

Garden State Preservation Trust

Garden State Preservation Trust
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Release: December 20, 2002

02/4

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Governor McGreevey and the Garden State Preservation Trust Announce Financing Plan for Open Space Preservation

Governor McGreevey and the Garden State Preservation Trust (GSPT), the body created to oversee and fund land and historic preservation in New Jersey, today announced a plan regarding the first GSPT bond issue needed to fund preservation and recreational development projects.

“This plan will maximize dollars to this critically important and popular State program”, commented Governor James E. McGreevey. “The demand for funding is strong and growing – 187 towns and 20 counties have established their own local funds to match the State dollars. Meeting as much of this demand as possible is sound anti-sprawl policy.”

Voters in New Jersey passed a constitutional amendment in 1998 to dedicate \$98 million annually for 30 years for the purpose of preserving watersheds, recreational lands, wildlife habitat, greenways, farms and historic sites. According to the law, which recognizes the necessity to preserve land while it is still available, all preservation work must take place before July 2009 and debt from bonding for these projects is to be retired by 2029, using the constitutionally dedicated funds.

The Garden State Preservation Trust Act charges the GSPT with maximizing the amount of preservation that occurs within the means provided by the constitutionally dedicated money. Accordingly, the GSPT has been committed to utilizing the full \$98 million provided each year through the 30 year period. Governor McGreevey has concurred and as a result, many more square miles of critical lands will be preserved, and more recreational projects in our urban centers will be possible.

“This is a wonderful moment in New Jersey’s land preservation history. By fully utilizing the funds dedicated to this program, we can best meet the goals of protecting our water supply, providing ample recreational opportunity throughout the State, saving farmland, and ensuring that our key wildlife habitats continue to flourish,” noted Maureen Ogden, Chair of the Trust.

The plan, which abides by the spending limits set in the constitutional amendment, calls for issuing \$400 million in current interest bonds with principal paid after FY2009, and \$100 million in zero coupon bonds, with principal and interest paid after FY2009. This plan was approved by the GSPT with the understanding that a larger percentage of zero coupon bonds will be considered for the second bond issue of the Trust, and with the understanding that the Treasurer will take certain additional actions to cause the level of preservation funding to equal that of a bond issue that would have paid all interest and principal in the debt repayment years of 2010 to 2029 (i.e. zero coupon bonds). The Treasurer will size a future GSPT bond issue to fully utilize for preservation all post FY2009 funds not needed for debt. That is, the entirety of the \$98 million annual appropriations through 2029 would be utilized for preservation and be made available prior to FY2010, the year that preservation work is set to expire under the law. It was also agreed that the Treasurer will use the necessary regulatory and/or legislative process(es) to enable capture for preservation of those funds not required for retirement of debt.

Since beginning its work with the funds dedicated by the public’s 1998 vote, the GSPT has overseen nearly 300,000 acres of preservation and has approved over \$50 million in recreational projects and over \$13 million in historic preservation projects.